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SUMMARY OF SNIE 100-6-54, 28 Nov '54, "WORLD REACTIONS TO CERTAIN POSSIBLE US COURSES OF ACTION WITH RESPECT TO COMMUNIST CHINA"

25X1

I. Problem: To estimate Communist and non-Communist reactions to US blockade of Communist China in retaliation for sentencing of US Nationals.

II. Effect of Blockade on Communist China

- A. Blockade would cut off all seaborne trade and regime would be seriously concerned over economic effects.
- B. However, sum of adverse economic effects small in relation to gross national product.
- C. Adverse effects overcome gradually by expansion of own production and assistance from the Bloc.
- D. If either Port Arthur-Darien or Hong Kong excluded economic effects would be reduced.

III. Communist Reactions

- A. Peiping would feel that prestige challenged and blockade would not induce Peiping effect and release prisoners or initiate negotiations.

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- B. If blockade extend inshore Pei'ping would attempt reduce its effectiveness by hit and run raids.
 - C. Pei'ping and Moscow would attempt use issue of blockade to isolate US.
 - D. Pei'ping might expect that US would eventually agree to a compromise solution which did not involve loss of face for Pei'ping.
 - E. USSR would counsel caution and attempt localize incidents.
 - 1. Would raise issue in UN
 - 2. Might attempt to breach the blockade
 - 3. Would be unlikely to initiate general war solely because of incidents, but would not be deferred from counteraction by risk of general war.
- IV. Non-Communist Reactions
- 1. South Korea, Nationalist China, probably Manila Pact countries of Southeast Asia would approve US action.

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2. India would almost certainly strongly oppose and attempt promote solution favoring Peiping.
3. Certain non-Communist countries would critically reappraise confidence in US leadership. Would almost certainly be sharp rise in neutralist sentiment among states now allied with US.
4. UK would probably acquiesce in blockade, but would attempt convince US it was destroying free-world unity and bringing on general war.
5. If blockade included Hong Kong would be severe strain on US-UK relations.
6. Would be strong adverse popular reactions in Japan; Government would probably seek avoid use of Japan as base for blockading forces.
7. If not large-scale warfare developed, free-world would probably in varying degrees adapt themselves to US action while continuing to attempt mediation.

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